

**LITTLETON PUBLIC LIBRARY
BOARD OF TRUSTEES**

MEETING MINUTES

May 2, 2018

IN ATTENDANCE: Jani Fillion (chair), Judy Jones Girouard (vice-chair), Mary Swinyer (treasurer), Kim De Lutis (secretary), Kevin Hastings, Dawn Hatch, Sara MacIver, Meagan Carr (director)

EXCUSED: Judith Dean, Joe Evans

GUESTS: Arlene Folsom and Michael St. Onge from Bank of New Hampshire (BNH)

CALL TO ORDER Jani Fillion (chair), at 6:00pm.

Jani welcomed Arlene Folsom and Michael St. Onge of Bank of New Hampshire who came to propose their services for our investment portfolio.

Arlene is a relationship manager who would coordinate statements and contributions. Michael would do the investing. As a mutual savings bank they are better able to contribute to the community. They proposed that investing with BNH would save us money in fees. Statements would be done quarterly or annually (our choice), and there is an online option as well that we could reference at our leisure. Arlene presented a book about the bank's history. She discussed that none of the stocks and bonds are out-sourced; it's not a cookie-cutter approach. They have a lot of fiduciary experience and newer members have brought a wealth of experience to their team. Arlene highlighted the chart of all the organizations they have given back as part of the community in which they serve. Michael mentioned a link on their site where we can request funding for a particular community project, and encouraged us to take advantage of it regardless of our decision to invest with them. Currently, we meet with our financial advisor (Kinder) twice a year; Michael said they could do the same or quarterly. Once a year, they would ask if we have any changes to the investment policy, at a board meeting so that it's recorded in the minutes. He brought the Town's Trustee of the Trust Funds portfolio as an example. Tab 1/Page 1 reflects a summary of the portfolio. He discussed the needs that would determine the goals of a particular portfolio. Alternatives are not as highly correlated to the stock market. Cash & Equivalents is like a restricted account that accumulates. He noted that our current portfolio is a 60 equity/30 fixed/10 cash asset allocation which he thought was sufficient.

Michael continued onto page 2, Gains and Losses and Equity Class Allocation. We never want all our investments moving together; the key is diversity among the equities. Having small exposure to international investments allows for a smoother performance over time.

Page 3 listed Equity Holdings. Companies within each sector should also be diversified, a mixture of different industries. They constantly monitor how much money each company has as a percentage of class, i.e. Comcast is 1.5% of the portfolio.

ACTION: Completed **ACTION:** To do

LITTLETON PUBLIC LIBRARY
BOARD OF TRUSTEES

Page 5 shows asset classes, i.e. Vanguard funds that cost little to own (<0.15%).

Fixed Income Sector Allocation are the bond decisions they make themselves. He then explained the Bond Maturity Ladder which ensures that bonds mature in a way that balances out the portfolio. He pointed out there are no high-yield bonds in the Trustee portfolio. Bonds correlate with the stocks, so as rates rise, people shift to the safer investments. High-quality investments reduce volatility.

Tab 2 measures performance. Time-weighted total return calculates performance for a period and removes the effects of cash flows. It shows the actual investment performance. He presented calendar years.

Kim asked about an impending Bear market and how BNH would protect our money better than another. Michael replied that Bull markets stop when something drastic happens to the market, and right now the Fed is being transparent and measured. Inflation is running close to the target and unemployment is in a good spot. Therefore, the economy should be able to continue. Misallocation of assets was what happened in the dot.com bubble, and it burst. In 08-09 it was a misallocation in real estate. Right now, we don't see any of that; he said it could be a black swan, there is no crystal ball. What can they do to protect our portfolio? They would buy high-equity investments and keep us very close to target (60 equity/30 fixed/10 cash) to avoid risk. They would invest in alternative assets to get some performance that isn't correlated with the equity market.

Every Tuesday, they have an investment strategy meeting where they talk about asset allocation; large cap vs small cap; bonds vs treasuries; GDP; inflation; equity portfolios and more, so they have broader level discussions that ultimately benefits each client.

Jani asked about fees. Michael noted their consulting as a value-added service. Arlene said that if statements were going to be sufficient, then it would run us closer to 75 points. Michael pointed out that we have restricted and unrestricted funds to deal with. Jani said our funds were bequeathed with restrictions, so we'd like to keep our costs down. Arlene estimated 75 basis points based on the first million, and then it drops after that. In comparison, Kinder charges 100 basis points on the first 500k, and 0.85 thereafter. BNH is proposing a flat 75. Michael said there is no guarantee, but they could lock in the fees for three years at our request.

Arlene mentioned they are proactive, with a small-town feel. They are salaried, so they don't profit from our investments. As a fiduciary, they are held to the highest standards.

Kevin pointed out that the library is part of this Trustee Funds portfolio, and asked who set their portfolio allocation. Michael said the 50/50 growth came from the Trustees' decision for growth. Kevin asked why we continue to let the equities grow when we could be spending down our taxes. Michael said the Trustees are entrusted to allocate the

ACTION: Completed **ACTION:** To do

LITTLETON PUBLIC LIBRARY
BOARD OF TRUSTEES

contributions, and from an asset allocation he's confident it looks good. He does see cash accumulating, but they have restricted and unrestricted funds they are bound to. Kevin asked where the fees for our portfolio would be taken from, and Arlene replied from the principal. Michael asked what our \$80k would be earmarked for. Kevin said spending, as we are drawing from it slowly. Michael suggested putting it in a CD to make some money; the board had looked into that, but agreed that it's time to spend on digitizing and other initiatives that will improve the library. Kevin asked if they had any recommendations. Michael said he would suggest removing the investor advisor/manager's name, because if something happened that we wanted to change managers, we'd have to amend the policy. Michael went through the rest of the policy and agreed with everything. He asked why the performance on the investment report (Jan. 2017) was a flat 6%; Kevin mentioned it may have been just a benchmark. Sara mentioned the previous board was fiscally conservative, and we've become more progressive. Kevin mentioned we did agree to increase growth, and we thought that income-producing assets won't help us grow.

Michael said when we trade stocks, it is 8 cents/share. For fixed income, when BNH buys bonds, they use software that lets them see fixed income prices from many; this allows them to buy in volume for better pricing and keeps the fees down. Bonds are inventory-driven.

Judy asked what it would cost if we decided to go with BNH. Arlene said it costs nothing and they would handle all the paperwork. We would have another meeting, check our IP to make sure there are any changes, and go from there.

Michael will send the Trustees of the Trust Funds investment policy to Kevin by email so that we can compare with ours.

We thanked the guests for their time and comprehensive presentation, and resumed our board meeting.

##

Jani read Joseph Evans' email he sent to the board tonight before the meeting tendering his resignation to the board after serving 15 months. Attached. Jani read her reply to Joe. Attached.

MSV –To regretfully accept Joe's resignation – Mary/Dawn (7-0) – MOTION APPROVED

ACTION: Jani to email Joe

Discussion ensued about finding a replacement for Joe.

MSV –To enter into non-public per RSA 91-A:3, II(c) – Kevin/Sara (7-0) – MOTION APPROVED

ACTION: Completed **ACTION:** To do

**LITTLETON PUBLIC LIBRARY
BOARD OF TRUSTEES**

MSV –To seal the non-public minutes indefinitely per RSA 91-A:3, II(c) – Kevin/Jani (7-0) – MOTION APPROVED

MSV –To approve minutes from 3.28.18 with edit to May 2 meeting – Jani/Sara (7-0) – MOTION APPROVED

OLD BUSINESS:

ACTION: Kim to contact Chad Fillion to see if he can set up a replacement monitor if Kevin’s television proves that the cameras are still working.

Result: Chad stopped by the library and proved to be a huge help. He said the monitor we had was a special type of TV, and thinks that if we get the correct TV and a new connector box, it will work. He sent a list of the items for Meagan to purchase. Cost is approx. \$120. Meagan will purchase once she has the credit card.

ACTION: Meagan to email the template she created for staff evaluation/review to the committee.

Result: Judy and Jani made recommendations. Meagan would like to add goal setting. Kevin asked to add a last edited date.

MSV –To accept Meagan’s evaluation form with the suggested changes – Judy/Kevin (7-0) – MOTION APPROVED

Director’s Report: Details Attached.

ACTION: Meagan to ask Nate from Alarmco about the life expectancy of the smoke detectors and fire alarms.

Note: There may be a grant available for the heat pump system: There would be one unit on the school street side, and one on Porfido’s side that would look like a gutter on the side of the building. Judy asked if there was a corresponding unit inside; Meagan said yes. Regarding the historical preservation, Meagan felt that we have a strong case for this modernization, because we have enough cultural capital to preserve the documents and paintings inside the library. Kevin felt that preserving our assets is more important than being on the historic registry. We agreed this isn’t just for heating, it’s for air quality as well. Sara suggested that we use some of the Heald Fund to pay for this as it preserves the entire library. Everyone agreed. Meagan will pursue this route for funding.

NEW BUSINESS:

Opera House Painting Request

Sue Pilotte asked if they could borrow any artwork that we weren’t displaying. Meagan noted there are three paintings they could borrow, and Sara suggested they could if they fixed them. Judy asked their worth and if they were insured. They are worth under \$1,000 each, and they are insured. Meagan has past records from those who have borrowed them, including Plymouth State College. They are all from the same artist: Ellen Farr.

ACTION: Completed **ACTION:** To do

**LITTLETON PUBLIC LIBRARY
BOARD OF TRUSTEES**

MSV –To loan three Ellen Farr paintings to the Opera House per a contract we provide – Kim/Sara (7-0) – MOTION APPROVED

NHLTA Meeting/Minutes

Judith Dean shared an email with Kim expressing her regret that she didn't receive the minutes from 3.28.18 by group email as we have in the past (Judith was excused from that meeting).

Jani said she takes responsibility for not sending out the minutes to the whole group. Jani apologized, and offered her resignation should we feel that was necessary. Everyone dismissed that notion immediately. Jani explained that because of the Right to Know Law, we had agreed to send the minutes to just the chair and vice chair instead of the whole group, with the intent to avoid discussion by email that would warrant a public meeting. In her email, Judith did not agree with this, and felt that she was out of the loop, and consequently did not know about the meeting change from April 30 to May 2. Kim took responsibility for not having emailed the meeting change to Judith. To avoid this moving forward, Kim suggested that with every meeting notice she emails to the Town, she will send a separate meeting notice to the board.

Kevin agreed that we should continue having Kim send the draft minutes only to Jani and Judy. Jani said that Kim confirmed this is best practice from having attended the conference.

In her email, Judith also noted feeling left out of the nominations. Kim mentioned remembering that Judith had mentioned in the meeting prior to the nomination meeting, that she would consider being vice-chair but has only been on the board for one year; that she would consider being secretary, but that position requires a specific skill set. This was not recorded in the minutes because the secretary deemed it as conversational, not a formal request to be nominated for these positions.

Dawn said she was at that meeting and confirmed what Kim recalled. Kim verbalized that she felt the nomination process was inclusive and there were plenty of opportunities to step up for a position, over the length of two meetings prior. Kevin said that every year, there is a nomination process and that perhaps we should make it more formal, i.e. "I declare (name) for this office, I nominate myself for..." Sara mentioned that we already do this, and Jani gave the heads up at the previous meeting to the nomination process. Kevin said it should be more formal because one board member felt it wasn't. Judy said if it's important for someone to have a position, then they should be present at the nominating meeting, or send an email with request to be nominated.

Building Improvements

Meagan requested a Building Committee meeting. Judith, Dawn, and Kevin will meet on Thursday, May 17 at 9am at the library.

ACTION: Kim to email Judith with this meeting date.

ACTION: Completed **ACTION:** To do

LITTLETON PUBLIC LIBRARY
BOARD OF TRUSTEES

Sara asked if everyone received an invitation to the Gala, as she hadn't. Meagan said she would check with FoLPL to see if they missed Sara's invite.

Barbara Strain has offered to donate plants as well as her time for landscaping.

Mary was asking whether the parking area behind the building between Porfido's and the library could provide us with more parking since the library owns 10 feet. Kevin suggested the group that does the surveying for the Town should look at the parking situation. He said Andrew's aware of it and there are a lot of issues with it.

Jani asked whether the investment committee should meet and make a recommendation about BNH, or if the full board should discuss as a whole. Everyone agreed to discuss as a whole at the next board meeting.

Motion to adjourn at 9:20 pm.

NEXT MEETING Wednesday May 30, 7pm, library.

Respectfully submitted, Kim De Lutis, secretary 5.2.18

ACTION: Completed **ACTION:** To do